

Message Text

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ACTION EUR-12

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TAGS: ENRG, OECD
SUBJECT: IEA/SLT NUCLEAR SUB-GROUP

FOLLOWING IS TEXT OF SECRETARIAT BACKGROUND PAPER FOR
REVIEW OF JAPAN DURING FEB 15-17 NUCLEAR SUBGROUP
MEETING. TEXT HAS BEEN PASSED ONLY TO JAPANESE DEL
AND TO U.S. AS DISCUSSION LEADER.

BEGIN TEXT

THE LONG-TERM ENERGY STRATEGY OF JAPAN IS TO SECURE
A STABLE ENERGY SUPPLY SYSTEM TO ENSURE THE PLANNED
EXPANSION OF THE JAPANESE ECONOMY WHICH IS PROJECTED
TO GROW AT AN AVERAGE ANNUAL RATE OF 6.6 PERCENT OVER
THE PERIOD 1975-85. ONE TARGET OF THIS OVERALL
STRATEGY IS TO DECREASE THEIR VULNERABILITY TO
INTERRUPTION IN FOREIGN CRUDE SUPPLIES BY ACHIEVING
A REDUCTION IN DEPENDENCY ON CRUDE OIL IMPORTS TO
63 PERCENT OF TOTAL PRIMARY ENERGY REQUIREMENTS IN
1985 FROM 77 PERCENT IN 1975. IT HAS ALSO BEEN
CONCLUDED THAT IT IS NECESSARY "TO PROMOTE NUCLEAR
DEVELOPMENT WITH A HIGHER PRIORITY" AND THAT THERE IS
A NEED TO HAVE 49 GW OF NUCLEAR POWER CAPACITY
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AVAILABLE BY 1985 IF THE REDUCED DEPENDENCY OBJECTIVE
IS TO BE ATTAINED. THE JAPANESE GOVERNMENT HAS NOT
ALTERED ITS LONG RANGE ENERGY DEMAND AND SUPPLY PLAN
FOR 1980 AND 1985 WHICH WAS DEVELOPED IN 1974/5.

ELECTRICITY SECTOR
THE PROJECTED RATE OF LOAD GROWTH IN JAPAN, AT

7.0 PERCENT/ANNUAL FY 1975-80 AND 6.3 PERCENT/ANNUUM
FY 1980-85 IS BY FAR THE HIGHEST IN THE IEA AREA. TO
MEET THIS PROJECTED LOAD GROWTH, POWER GENERATION WILL
BE REQUIRED TO INCREASE FROM 414.2 TWH IN FY 1975 TO
587.6 TWH IN 1980 AND 808.3 TWH IN 1985. AT THE SAME
TIME TO ACHIEVE THE REDUCED OIL DEPENDENCY OBJECTIVE
WILL REQUIRE AN ACTUAL DECREASE IN OIL FUELLED POWER
GENERATION FROM 274.9 TWH IN 1975 TO 210 TWH IN 1985.
CONSEQUENTLY THE JAPANESE AUTHORITIES HAVE PLANNED,
ALBEIT FROM RELATIVELY LOW LEVELS AN ELEVEN FOLD
INCREASE IN NUCLEAR POWER PRODUCTION, A 340 PERCENT
INCREASE IN COAL-FIRED GENERATION AND A 790 PERCENT
INCREASE IN LNG-FIRED GENERATION. IF THESE PLANS FAIL
TO MATERIALIZE FOR NON-OIL POWER GENERATION, THEN THE
FIRST FALL-BACK POSITION IS CONTINUED BASE LOAD
OPERATION FOR OIL FIRED STATIONS NOW SCHEDULED TO BE
USED FOR FUTURE INTERMEDIATE AND PEAKING PRODUCTION.

QUESTIONS

1. HOW HAS THE VIEW OF THE PROBABLE COURSE OF THE
JAPANESE ECONOMY OVER THE 1976-85 PERIOD CHANGED SINCE
THE PUBLICATION OF "JAPAN'S NEW ENERGY POLICY"?
WHAT LEVELS OF GDP GROWTH AND RELATED ELECTRICITY
DEMAND GROWTH WOULD BE CONSISTENT WITH A LOW GROWTH
CASE?
2. ARE THERE DIVERGENCES OF VIEW BETWEEN THE UTILITIES
AND THE GOVERNMENT ON THE LIKELY COURSE OF ELECTRICITY
LOAD GROWTH?
3. ARE THE CONSTRUCTION PROGRAMS OF THE UTILITIES
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RELATED TO NEW NATURAL GAS AND COAL-FIRED STATIONS
CONSISTENT WITH THE OFFICIAL EXPANSION PROFILE NOTED
ABOVE.

4. HOW DO THE ECONOMICS OF NUCLEAR POWER GENERATION
COMPARE WITH OTHER COMPETING FUELS?
5. WHAT IS THE GOVERNMENT POLICY ON THE USE OF
IMPORTED COAL FOR ELECTRICITY GENERATION? NOTING THE
RELATIVELY MODEST EXPANSION OF COAL-FIRED CAPACITY
ENVISAGED, WHAT ARE THE OBSTACLES TO A MORE AMBITIOUS
PROGRAM?
6. ARE THE UTILITIES EXPERIENCING ANY DIFFICULTIES IN
ATTAINING CAPITAL FOR EXPANSION?

NUCLEAR SECTOR

THE JAPANESE NUCLEAR PROGRAM PUT FORWARD IN
IEA/SLT(77)16 IS THAT WHICH AS BEEN EXAMINED PREVIOUSLY
IN DIFFERENT IEA FORA. IT HAS BEEN NOTED THAT THE
OBJECTIVES OF 49 GW OF NUCLEAR CAPACITY AND 278.3 TWH
OF PRODUCTION ARE PREDICATED UPON THE ATTAINMENT OF

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SAFETY AND ENVIRONMENTAL PROTECTION STANDARDS, PUBLIC
ACCEPTANCE OF PLANT SITING, THE ATTAINMENT OF A
70 PERCENT LOAD FACTOR (COMPARED TO PRESENT PERFORMANCE
OF LESS THAN 50 PERCENT) AND THE ESTABLISHMENT OF THE
FUEL CYCLE.

AS OF LATE 1976, THE STATUS OF THE JAPANESE
NUCLEAR PROGRAM WAS AS FOLLOWS: 6.6 GW (12 REACTORS)
OPERATING; 10.5 GW (12 REACTORS) UNDER CONSTRUCTION;
3.7 GW (4 REACTORS) FOR WHICH AUTHORIZATION HAS BEEN
GRANTED BUT CONSTRUCTION HAD NOT YET BEGUN; AND 29 GW
IN VARIOUS STAGES OF PLANNING. OF THE 29 GW AT THE
PLANNING STAGE, IT IS ANTICIPATED THAT 10 GW'S OF
CAPACITY WOULD BE CONSTRUCTED ON EXISTING SITES AND
19 GW WOULD BE CONSTRUCTED ON 11 NEW SITES. PERMIT
REQUESTS FOR 14.4 GW OF THE 29 GW WERE PENDING.
PREVIOUS ASSESSMENTS OF THE JAPANESE NUCLEAR PROGRAM
IN DIFFERENT IEA FORA HAVE CONCLUDED THAT THE TARGET
OF 49 GW OF NUCLEAR CAPACITY WILL NOT BE REACHED BY
1985 AND THAT A RANGE OF 30-40 MW WOULD BE MORE
REALISTIC.

QUESTIONS

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IN LAST YEAR'S RESPONSE THE JAPANESE GOVERNMENT COMPLETED TABLE II ACCORDING TO THE SIX CATEGORIES. THIS YEAR'S RESPONSE CONTAINS NO SUCH BREAKDOWN. COULD THE JAPANESE GOVERNMENT PROVIDE THIS BREAKDOWN? SPECIFICALLY:

1. DURING 1976, DID CONSTRUCTION BEGIN ON ANY NEW NUCLEAR UNITS ON SITES PREVIOUSLY APPROVED? HOW DOES THIS COMPARE WITH THE CONSTRUCTION SCHEDULE ENVISAGED IN THE OFFICIAL NUCLEAR PROGRAMME TO 1985?
2. OF THE ELEVEN NEW SITES REQUIRED IN THE NUCLEAR PROGRAMME TO 1985, IN WHAT NUMBER HAS AGREEMENT BEEN REACHED BETWEEN THE LOCAL MUNICIPALITY, THE UTILITY AND THE GOVERNMENT? OF THIS NUMBER, HOW MANY HAVE BEEN OFFICIALLY APPROVED?
3. HOW MANY SITING APPLICATIONS ARE PENDING BEFORE THE GOVERNMENT? HOW MANY NUCLEAR GIGAWATTS DO THESE APPLICATIONS REPRESENT? WHAT IS THE AVERAGE LENGTH OF TIME THESE APPLICATIONS HAVE BEEN PENDING?
4. IT IS THE SECRETARIAT'S UNDERSTANDING THAT JAPANESE UTILITIES INFORMALLY NEGOTIATE WITH THE GOVERNMENT OVER SITES PRIOR TO SUBMITTING FORMAL APPLICATIONS. IS THIS PROCESS UNDERWAY AT THE PRESENT TIME? HOW MANY GIGAWATTS ARE INVOLVED?
5. WHAT IS THE PRESENT STATUS OF THE REACTORS ON THE ATTACHED LIST? (THIS LIST WAS SUBMITTED TO THE SUB-GROUP DURING THE LAST REVIEW). HAVE ANY OF THESE REACTORS SLIPPED BEHIND THEIR CONSTRUCTION SCHEDULES? IF SO, WHY?
6. ACCORDING TO TABLE II, THE COMBINED LEAD TIME FOR PLANNING DECISIONS AND LICENSING APPROVAL FOR CONSTRUCTION IS 108 MONTHS. TO WHAT PROPORTION OF THE 28.2 GWE PRESENTLY IN THE PLANNING STAGE TO BE ON POWER BY 1985 DOES THIS 9 YEAR LEAD TIME APPLY?
7. WHEN IS PRODUCTION SCHEDULED TO BEGIN ON THE 3.7 GW OF CAPACITY IN CATEGORY 5 OF TABLE II.
8. WHAT WERE THE CONCLUSIONS AND RECOMMENDATIONS LIMITED OFFICIAL USE

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OF THE EXPERTS GROUP ESTABLISHED BY THE GOVERNMENT IN 1975 TO LOOK AT NUCLEAR ENERGY POLICY AND ADMINISTRATION? WHAT HAS BEEN THE RESPONSE OF THE GOVERNMENT TO THE REPORT?

9. HAS THE GOVERNMENT INSTITUTED ANY FORMAL AND/OR LEGISLATIVE PROCEDURE WHEREBY ALL GROUPS HAVE AN OPPORTUNITY TO EXPRESS THEIR VIEWS ON A PROPOSED NUCLEAR PROJECT?
10. HOW MUCH MONEY HAS BEEN COLLECTED BY THE GOVERNMENT

UNDER THE ELECTRIC POWER PLANT ADJACENT AREA ARRANGEMENT
ACT AND HOW MUCH HAS BEEN DIRECTED TO LOCAL COMMUNITIES
NEAR TO NUCLEAR STATIONS TO ASSIST LOCAL DEVELOPMENT
AND PROVIDE RECREATIONAL FACILITIES? WHAT IS THE
JAPANESE GOVERNMENT'S EVALUATION OF THIS PROGRAMME?
FUEL CYCLE

JAPANESE ELECTRICAL UTILITIES WOULD APPEAR TO HAVE
SECURED THROUGH LONG AND SHORT-TERM PURCHASE CONTRACTS,
SUFFICIENT NATURAL URANIUM SUPPLIES TO MEET THEIR
REQUIREMENTS THROUGH 1985. THE JAPANESE AUTHORITIES
HAVE CONCLUDED THAT SECURITY OF FUTURE CONTRACTS
REQUIRES MOVING BEYOND TRADITIONAL PURCHASE CONTRACTS.
THIS IN TURN REQUIRES A "DEVELOPMENT AND IMPORT" SYSTEM
TO SECURE SUPPLIES. TO THIS END, A NEW SEMI-GOVERNMENT
CORPORATION HAS BEEN ESTABLISHED TO UNDERTAKE FOREIGN

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EXPLORATION FOR URANIUM. A TARGET HAS BEEN ESTABLISHED
FOR ONE-THIRD OF DOMESTIC DEMAND TO BE MET BY 1985 IN
THIS MANNER.

JAPAN HAS NO ENRICHMENT PLANTS BUT HAS GUARANTEED
SUPPLY FROM THE US GOVERNMENT WHICH CAN COVER 51,000 MW
FOR 58 REACTORS, INCLUDING THOSE SCHEDULED TO HAVE
INITIAL FUEL LOAD DELIVERED BY 30.8.1985; AND ALSO
10,000 T SW TO BE PURCHASED FROM EURODIF BETWEEN
1980-89. SINCE QUESTIONS HAVE ARISEN ON THE FUTURE

AVAILABILITY OF SUFFICIENT SUPPLIES FROM THE UNITED STATES, THE GOVERNMENT POLICY IS TO SECURE STABLE SUPPLY SOURCES THROUGH INTERNATIONAL CO-OPERATION AND TO SEEK OPPORTUNITIES TO PARTICIPATE IN INTERNAL PROJECTS. A CONSIDERABLE R & D EFFORT IS ALSO UNDERWAY IN JAPAN ON URANIUM ENRICHMENT WITH THE OBJECTIVE OF HAVING A COMPETITIVE ENRICHMENT PLANT BASED ON THE CENTRIFUGE PROCESS, ON LINE BY 1985.

WITH THE PROJECTED 49,000 GW OF NUCLEAR CAPACITY BY THE END OF 1985, THE PROBLEMS OF REPROCESSING THE SPENT FUELS DISCHARGED ARE PERHAPS THE MOST IMMEDIATE IN THE FUEL CYCLE.

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THE FIRST REPROCESSING PLANT IN JAPAN AT TOKAI-MENA, WHICH IS CAPABLE OF REPROCESSING 210 T P.A. BY THE POWER PROCESS, HAS JUST COMPLETED TRIAL OPERATIONS. A SECOND PLANT IS TO BE BUILT BUT OBVIOUSLY THERE IS A NEED FOR ADDITIONAL SUPPORT.

QUESTIONS

1. HOW MANY GIGAWATTS OF INSTALLED NUCLEAR CAPACITY ARE ASSUMED IN THE SUPPLY/DEMAND FIGURES IN TABLE III? COULD YOU EXPLAIN IN MORE DETAIL YOUR EXPECTATIONS REGARDING ANY SURPLUS OR SHORTFALL FOR NATURAL OR ENRICHED URANIUM?
2. WHAT IS THE POTENTIAL FOR DEVELOPMENT OF DOMESTIC LOW GRADE ORES? AT WHAT PRICE?
3. DOES TABLE III INCLUDE PRODUCTION FROM THE JAPANESE-FRENCH PROJECT AT AKOULA, NIGER?
4. HAS THE NEW SEMI-GOVERNMENT URANIUM EXPLORATION COMPANY BEGUN EXPLORATION? WHAT IS ITS FUNDING?
5. WHAT IS THE GOVERNMENT POLICY ON REPROCESSING AND WASTE DISPOSAL? WHAT HAS BEEN DONE TO ENSURE AN ADEQUATE BACK END CYCLE? END TEXT

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Message Attributes

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